

**AGENDA**



**Recommendation for Council Action (Purchasing)**

Austin City Council	Item ID:	72859	Agenda Number	29.
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Meeting Date:	August 17, 2017
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Department:	Purchasing
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Subject

Authorize negotiation and execution of a 120-month contract with CGI TECHNOLOGIES AND SOLUTIONS, INC., to provide maintenance and support of the Advantage financial management system, for a total contract amount not to exceed \$17,338,227.

Amount and Source of Funding

Funding in the amount of \$858,194 is contingent upon approval of the proposed Fiscal Year 2017-2018 Operating Budget of the Controller's Office. Funding for the remaining 108 months of the original contract period is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	Sole Source
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Prior Council Action:	
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For More Information:	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov or to the buyer, Jim Howard, at 512-974-2031 or Jim.Howard@ austintexas.gov
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Boards and Commission Action:	
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Related Items:	
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MBE / WBE:	Sole Source contracts are exempt from the City Code Chapter 2-9 C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established.
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Additional Backup Information

The contract is for the continuation of maintenance and support for the Advantage financial management system, the City's financial system of record which is used by all City departments for financial transactions and reporting purposes. Functions of the system include budgeting, purchases from and payments to City vendors, asset management, accounts receivable and collections, and financial reporting in compliance with generally accepted accounting principles (GAAP).

The contract includes two components: annual software maintenance and special support. CGI Technologies and Solutions, Inc. (CGI), as author and copyright holder for the Advantage software package, provides annual maintenance services for the Advantage financial system. These services include specialized technical support, as well as licensing and support of several third party products which are used as part of the financial system installation. Annual maintenance fees are paid by all clients of the Advantage financial system. It is in the City's best interest to lock in these amounts for budget purposes. In addition to basic software maintenance and support, a spending authorization of up to \$750,000 per year for special support services is necessary to meet needs outside the normal scope of software maintenance. Past examples include support for the financial system interface to Austin Energy's Maximo implementation, assisting the City team with implementing upgrades (most recently from 3.8.0.2 to 3.10.0.2), and purchasing and implementing new modules to the system (most recently the debt module for tracking City's bonds). CGI is the sole provider of services on its proprietary software.

Upgrades to Advantage, from its current release to a future release also allow the City to take advantage of new features and functionality that help assure good internal controls and improve existing business processes. In addition, upgrades will be implemented to ensure that the City remains in compliance with the terms of our maintenance agreement which requires the City to be no more than two releases back from the vendor's current production release. Today the City is on Release 3.10 with the latest release from the vendor at Release 3.11.

CGI Technologies and Solutions, Inc. is the manufacturer of the system and is the sole provider of maintenance, support, and enhancements for the system.

This contract is replacing the current contract which has been in place since 2004. Spend for the last five years is \$5,791,374.78, which included \$4,745,499.92 for maintenance, \$53,342.86 for licenses and \$992,532.00 for upgrades.

The City's financial system is essential to provide effective and compliant financial management of the City's finances.